

Housing Choice Voucher Tenancy Approval and Housing Assistance Payment Contract Execution

A. TENANCY APPROVAL AND CONTRACT EXECUTION PROCESS

Upon receipt of the Request for Tenancy Approval, the OCHA will:

Review the Request for Tenancy Approval, particularly noting the approvability of the contract rent;

Discuss any inconsistencies or omissions with the family and the owner;

Check that there are no conflicts of interest;

Negotiate the rent amounts, if applicable; and

Schedule an HQS inspection of the unit.

Only one Request for Tenancy Approval will be accepted from a family at a time.

The OCHA will endeavor to process the Request of Tenancy Approval and will contact the property owner within five business days and strive to complete the initial HQS inspection within fifteen calendar days whenever possible.

The lease will be approved if:

The unit meets Housing Quality Standards and any additional standard identified in this Administrative Plan;

The rent is approvable and has been determined as reasonable for that unit;

The family will not pay more than 40% of monthly adjusted income;

The proposed lease complies with HUD requirements;

The owner, unit and family continue to be eligible; and

The owner has supplied a Social Security number or employer identification number, as well as a copy of the number (generally a copy of the Social Security card) from another source verifying name and number.

If the lease is disapproved, the owner and family will be provided an opportunity to correct the problem prior to a specific date established by the OCHA.

If the lease is approved, final computations of total tenant payment, tenant rent, utility reimbursement payment, and Housing Assistance Payments will be completed. The Housing Assistance Contract will be prepared for execution.

Upon completion of the documents, the family and the owner will execute the lease agreement (and addendum if the owner's lease is used) and the owner and the OCHA will execute the HAP Contract.

Copies of the documents will be furnished to the parties who signed the respective documents.

B. DOCUMENTS SUBMITTED

The OCHA will provide a lease form at the owner's request. House Rules of the owner may be attached to the lease as an addendum.

In the event the owner wishes to use their own lease, the HUD Tenancy Addendum shall be attached and signed.

The family shall be required to turn in the Request for Tenancy Approval (RTA) prior to the expiration of the Housing Choice Voucher.

Owners must provide the current address of their residence (not a Post Office box).

The owner must certify that the prospective tenants are not related to them by birth or marriage; that they are not grandparents, parents, brother or sister or children or other interested party of the prospective landlord. If this certification is found to be fraudulent, all monies received from the OCHA by the landlord will be forfeited and returned to the OCHA and the tenants will be terminated from the OCHA's Housing Choice Voucher Program. An exception may be made if approving the unit would provide reasonable accommodation for a family member with disabilities, but under no circumstances can an owner related by blood or marriage live in the assisted unit.

Owners must also submit proof of ownership of the property for single family units and condominium units. If the property is managed by a management agent, proof of a management agreement is required, in addition to an executed Owner Declaration.

If this documentation is not provided, additional documentation may be required by the OCHA.

Owners who relocate will be requested to file a change of address with the OCHA.

C. HOUSING CHOICE VOUCHER STANDARD LIMITATIONS

The Housing Choice Voucher Standard is applicable for a unit on the date of RTA approval unless an exception rent is justifiable.

Examples of when exception rents are justifiable include cases when a higher rent is needed due to reasonable accommodation and when HUD approved exception rental standards for higher rent areas within the OCHA's jurisdiction is applicable. Rent reasonableness will still be used as a measure as to whether the rent is approvable.

D. RENT REASONABLENESS CERTIFICATION

During the initial lease inspection and during each annual or special inspection thereafter, the OCHA shall perform a Rent Reasonableness Certification. Such Certification shall be determined by comparison of the proposed rent to other unassisted units. To make this determination the OCHA will consider the location, quality, size, unit type, and age of the contract unit and any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

The owner must also certify that the rent charged an OCHA client is not more than rent charged by the owner for comparable unassisted units on the premises.

The OCHA may not approve a lease, or an extension thereof, until it is determined that the rent is reasonable and that the owner is not charging less rent for unassisted comparable units on the premises. At all time during the assisted tenancy, the rent to owner may not exceed the reasonable rent in comparison to other unassisted units.

As part of the rent reasonableness documentation, the OCHA may request the owner to provide data on as many as three comparable units that shall consist of, at the minimum, the apartment number, the bedroom size, the contract rent, and the utilities included in the rent. This may be required in all buildings of two or more units. It may be required at lease-up and every time the unit is inspected.

The OCHA will maintain data for other unassisted units which will be gathered from apartment associations, newspapers, realtors, professional associations, and inquiries of owners and tenants.

The OCHA:

Must determine whether the rent is reasonable;

Must assist the family in negotiating the owner's rent if requested by the family; and

Determine that the family does not pay over 40% of total annual adjusted income for rent. The tenant rent will determine eligibility.

For the Housing Choice Voucher program, the rent reasonableness determination will be used by the OCHA staff to advise participants regarding units that may be in advisable to lease.

E. SEPARATE AGREEMENTS

Separate agreements are not to be construed as illegal side payments. Families and owners will be continuously advised of the prohibition of illegal side payments for additional rent or for items normally included in the rent of other unassisted families.

Owners and tenants may execute agreements for services, appliances (other than for range and refrigerator) and other items outside those which are provided under the lease if the agreement is in writing and approved by the OCHA. These payments are not to be construed as illegal side payments.

Any appliance, service or other items which are routinely provided to non-subsidized tenants as part of the lease (such as air conditioning, dishwasher or garage), or is permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the tenant must have the option of not utilizing the service, appliance or other item.

The OCHA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

If the tenant and owner have come to an agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed.

Copies of all agreements for special items or services must be provided to the OCHA.

F. TENANCY APPROVAL/DISAPPROVAL

After the OCHA has reviewed the Request for Tenancy Approval, rental agreement, certified and documented rent reasonableness, conducted an inspection and passed the unit, checked the requested "contract rent" against the payment standards and found it to be reasonable or approved an exception rent in the Rental Assistance Program, the OCHA approves the tenancy.

If the OCHA determines that tenancy cannot be approved for any reason, the landlord and the family will be notified and these reasons.

If the proposed, unexecuted rental agreement does not meet the OCHA's requirements, the OCHA will explain the problems to the owner and suggest how they may be corrected by a specific date. This period will generally be within 15 calendar days and prior to commencement of the rental period. (This does not include HQS approval or disapproval which will only be done after the owner is given a reasonable period to make the repairs.)

In the Rental Assistance Program, if the gross rent proposed exceeds the payment standard, the OCHA shall discuss with the owner the possibility of either reducing the contract rent or including some or all

utilities in contract rent. If the owner is not willing to reduce or adjust the rent and the OCHA is satisfied that (1) the requested rent meets the test of rent reasonableness and (2) it has remaining "exception rent" authority, the OCHA may approve the exception rent. If the unit chosen has more bedrooms than the Voucher size, the exception rent is not an option. The rental assistance holder will be required to seek another unit if their Voucher is still valid.

If the owner accepts the offer of a revised rent, the OCHA will continue processing the Request for Tenancy Approval. If the revised rent involves a change in the provision of utilities, a Request for Tenancy and contract approval will be submitted by the owner.

If the owner does not agree on the contract rent or security deposit, after the OCHA has tried and failed to negotiate a revised rent, the OCHA will inform the tenant and owner that the lease is disapproved. The tenant should continue to locate eligible housing if their Voucher is still valid.

If the unit fails inspection, the OCHA will provide the landlord with a detailed list of items that must be corrected and provide the landlord a reasonable period of time to make the repairs.

G. HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT EXECUTION

Prior to HAP contract execution, the OCHA will respond to any reported changes regarding the family's composition, as well as any critical information about income and allowances.

If significant changes have occurred, the information will be verified and the total tenant payment will be recalculated. The OCHA will not reverify information or recalculate the total tenant payment merely because previous verifications are more than 60 days old, in such situations.

If circumstances have not changed (according to the family), the OCHA need not obtain new verifications before signing the HAP Contract, even if verifications are more than 60 days old.

When the tenancy approval process is completed, the OCHA will notify the landlord and the family of the tenancy approval or disapproval.

If the tenancy is approved, the OCHA will prepare the HAP Contract and Lease Addendum.

To prepare the documents, the OCHA will compute the total tenant payment, tenant rent, utility reimbursement (if any), and the Housing Assistance Payment.

Once the tenancy documents are prepared, the OCHA will get the documents executed by the family, owner, and the OCHA, as appropriate, and send appropriate copies to each party.

The OCHA may offer a signature consultation, especially where new owners are involved, to be attended by the owner and tenant, where responsibilities of both parties will be discussed prior to the signing of the lease and contract. The documents may be mailed out for signature, as requested, if the owner has previously been briefed on program requirements.

The appropriate supervisor or Section Chief, designated in writing by the Executive Director, will execute the contract on behalf of the OCHA.

After final execution of the lease and contract by the appropriate parties, a copy of the contract will be provided to the owner. A copy of the tenancy addendum will be provided to the family. Copies of all documents will be retained in the family's file.

H. HOMEOWNERSHIP

The Housing Choice Voucher assistance provided for the Homeownership Program will include the steps outlined for rental assistance and HAP contracts, but also include the steps and documentation outlined in Chapter 30 “Homeownership” within this Plan.